

by or on behalf of that individual to pay costs relating to a course of education or training which led to a degree that qualified the individual for the position referred to in paragraph (1).

(b) **COVERED COSTS.**—For purposes of subsection (a)(2), costs relating to a course of education or training include—

- (1) tuition expenses;
- (2) all other reasonable educational expenses, including expenses for fees, books, and laboratory expenses; and
- (3) reasonable living expenses.

(c) **RECENTLY APPOINTED INDIVIDUALS.**—For purposes of subsection (a), an individual shall be considered to be recently appointed to a position if the individual has held that position for less than 6 months.

(Added Pub. L. 105-368, title VIII, §803(a), Nov. 11, 1998, 112 Stat. 3357; amended Pub. L. 107-135, title I, §102(b), Jan. 23, 2002, 115 Stat. 2448.)

AMENDMENTS

2002—Subsec. (a)(1). Pub. L. 107-135 substituted “in a position (as determined by the Secretary) providing direct-patient care services or services incident to direct-patient care services” for “under an appointment under section 7402(b) of this title in a position” and “(as so determined)” for “(as determined by the Secretary)”.

TEMPORARY EXPANSION OF INDIVIDUALS ELIGIBLE FOR PARTICIPATION IN PROGRAM

Pub. L. 107-135, title I, §102(e), Jan. 23, 2002, 115 Stat. 2449, granted the Secretary of Veterans Affairs authority to treat certain individuals as recently appointed employees in the Veterans Health Administration under subsec. (a) of this section for purposes of eligibility in the Education Debt Reduction Program under this subchapter but prohibited exercise of this authority after June 30, 2002.

§ 7683. Education debt reduction

(a) **IN GENERAL.**—Education debt reduction payments under the Education Debt Reduction Program shall consist of payments to individuals selected to participate in the program of amounts to reimburse such individuals for payments by such individuals of principal and interest on loans described in section 7682(a)(2) of this title.

(b) **FREQUENCY OF PAYMENT.**—(1) The Secretary may make education debt reduction payments to any given participant in the Education Debt Reduction Program on a monthly or annual basis, as determined by the Secretary.

(2) The Secretary shall make such payments at the end of the period determined by the Secretary under paragraph (1).

(c) **PERFORMANCE REQUIREMENT.**—The Secretary may make education debt reduction payments to a participant in the Education Debt Reduction Program for a period only if the Secretary determines that the individual maintained an acceptable level of performance in the position or positions served by the participant during the period.

(d) **MAXIMUM ANNUAL AMOUNT.**—(1) Subject to paragraph (2), the amount of education debt reduction payments made to a participant under the Education Debt Reduction Program may not exceed \$44,000 over a total of five years of par-

ticipation in the Program, of which not more than \$10,000 of such payments may be made in each of the fourth and fifth years of participation in the Program.

(2) The total amount payable to a participant in such Program for any year may not exceed the amount of the principal and interest on loans referred to in subsection (a) that is paid by the individual during such year.

(Added Pub. L. 105-368, title VIII, §803(a), Nov. 11, 1998, 112 Stat. 3357; amended Pub. L. 107-135, title I, §102(c), Jan. 23, 2002, 115 Stat. 2448.)

AMENDMENTS

2002—Subsec. (d)(1). Pub. L. 107-135 struck out “for a year” after “a participant” and substituted “exceed \$44,000 over a total of five years of participation in the Program, of which not more than \$10,000 of such payments may be made in each of the fourth and fifth years of participation in the Program” for “exceed—

- “(A) \$6,000 for the first year of the participant's participation in the Program;
- “(B) \$8,000 for the second year of the participant's participation in the Program; and
- “(C) \$10,000 for the third year of the participant's participation in the Program”.

[§ 7684. Repealed. Pub. L. 107-135, title I, § 102(a)(1), Jan. 23, 2002, 115 Stat. 2448]

Section, added Pub. L. 105-368, title VIII, §803(a), Nov. 11, 1998, 112 Stat. 3358, provided that the Secretary could not make education debt reduction payments to individuals who had not commenced participation in the Education Debt Reduction Program before Dec. 31, 2001.

CHAPTER 77—VETERANS BENEFITS ADMINISTRATION

SUBCHAPTER I—ORGANIZATION; GENERAL

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AMENDMENTS

2006—Pub. L. 109-233, title IV, §402(d)(2), June 15, 2006, 120 Stat. 411, substituted “QUALITY ASSURANCE” for “VETERANS OUTREACH SERVICES PROGRAM” in item for subchapter II and struck out former items 7721 “Purpose; definitions”, 7722 “Outreach services”, 7723 “Veterans assistance offices”, 7724 “Outstationing of counseling and outreach personnel”, 7725 “Use of other agencies”, 7726 “Annual report to Congress”, 7727 “Outreach for eligible dependents”, and subchapter III “QUALITY ASSURANCE”.

2001—Pub. L. 107-14, §6(b)(2), June 5, 2001, 115 Stat. 31, added item 7727.

1999—Pub. L. 106-117, title VIII, §801(a)(2), Nov. 30, 1999, 113 Stat. 1586, added heading for subchapter III and items 7731 to 7734.

SUBCHAPTER I—ORGANIZATION; GENERAL

§ 7701. Organization of the Administration

(a) There is in the Department of Veterans Affairs a Veterans Benefits Administration. The primary function of the Veterans Benefits Administration is the administration of non-medical benefits programs of the Department

which provide assistance to veterans and their dependents and survivors.

(b) The Veterans Benefits Administration is under the Under Secretary for Benefits, who is directly responsible to the Secretary for the operations of the Administration. The Under Secretary for Benefits may be referred to as the Chief Benefits Director.

(Added Pub. L. 102-83, §2(b), Aug. 6, 1991, 105 Stat. 399; amended Pub. L. 102-405, title III, §302(c)(1), (3), Oct. 9, 1992, 106 Stat. 1984.)

AMENDMENTS

1992—Subsec. (b). Pub. L. 102-405 substituted “Under Secretary for Benefits” for “Chief Benefits Director” and inserted at end “The Under Secretary for Benefits may be referred to as the Chief Benefits Director.”

§ 7703. Functions of the Administration

The Veterans Benefits Administration is responsible for the administration of the following programs of the Department:

- (1) Compensation and pension programs.
- (2) Vocational rehabilitation and educational assistance programs.
- (3) Veterans' housing loan programs.
- (4) Veterans' and servicemembers' life insurance programs.
- (5) Outreach programs and other veterans' services programs.

(Added Pub. L. 102-83, §2(b), Aug. 6, 1991, 105 Stat. 399.)

SUBCHAPTER II—QUALITY ASSURANCE

PRIOR PROVISIONS

A prior subchapter II of this chapter, consisting of sections 7721 to 7727, related to the veterans outreach services program, prior to repeal by Pub. L. 109-233, title IV, §402(c), June 15, 2006, 120 Stat. 411. See chapter 63 of this title.

Section 7721, added Pub. L. 102-83, §2(b), Aug. 6, 1991, 105 Stat. 400; amended Pub. L. 107-14, §6(a), June 5, 2001, 115 Stat. 30, stated purpose of program and defined “other governmental programs” and “eligible dependent” for purposes of the subchapter. See section 6301 of this title.

Section 7722, added Pub. L. 102-83, §2(b), Aug. 6, 1991, 105 Stat. 400; amended Pub. L. 102-590, §5, Nov. 10, 1992, 106 Stat. 5139; Pub. L. 107-103, title III, §304, Dec. 27, 2001, 115 Stat. 992, directed Secretary to provide outreach services. See section 6303 of this title.

Section 7723, added Pub. L. 102-83, §2(b), Aug. 6, 1991, 105 Stat. 401; amended Pub. L. 107-103, title III, §301, Dec. 27, 2001, 115 Stat. 991; Pub. L. 108-183, title III, §309(c)(1), Dec. 16, 2003, 117 Stat. 2663, directed Secretary to establish and maintain veterans assistance offices. See section 6304 of this title.

Section 7724, added Pub. L. 102-83, §2(b), Aug. 6, 1991, 105 Stat. 401, related to outstationing of counseling and outreach personnel. See section 6305 of this title.

Section 7725, added Pub. L. 102-83, §2(b), Aug. 6, 1991, 105 Stat. 401, related to use of other agencies. See section 6306 of this title.

Section 7726, added Pub. L. 102-83, §2(b), Aug. 6, 1991, 105 Stat. 402, related to the required annual report to Congress. See section 6308 of this title.

Section 7727, added Pub. L. 107-14, §6(b)(1), June 5, 2001, 115 Stat. 31, related to outreach for eligible dependents. See section 6307 of this title.

AMENDMENTS

2006—Pub. L. 109-233, title IV, §402(d)(1), June 15, 2006, 120 Stat. 411, redesignated subchapter III of this chapter as this subchapter.

§ 7731. Establishment

(a) The Secretary shall carry out a quality assurance program in the Veterans Benefits Administration. The program may be carried out through a single quality assurance division in the Administration or through separate quality assurance entities for each of the principal organizational elements (known as “services”) of the Administration.

(b) The Secretary shall ensure that any quality assurance entity established and operated under subsection (a) is established and operated so as to meet generally applicable governmental standards for independence and internal controls for the performance of quality reviews of Government performance and results.

(Added Pub. L. 106-117, §801(a)(1), Nov. 30, 1999, 113 Stat. 1585.)

EFFECTIVE DATE

Pub. L. 106-117, title VIII, §801(b), Nov. 30, 1999, 113 Stat. 1586, provided that: “Subchapter III [now Subchapter II] of chapter 77 of title 38, United States Code, as added by subsection (a), shall take effect at the end of the 60-day period beginning on the date of the enactment of this Act [Nov. 30, 1999].”

§ 7732. Functions

The Under Secretary for Benefits, acting through the quality assurance entities established under section 7731(a), shall on an ongoing basis perform and oversee quality reviews of the functions of each of the principal organizational elements of the Veterans Benefits Administration.

(Added Pub. L. 106-117, §801(a)(1), Nov. 30, 1999, 113 Stat. 1585.)

§ 7733. Personnel

The Secretary shall ensure that the number of full-time employees of the Veterans Benefits Administration assigned to quality assurance functions under this subchapter is adequate to perform the quality assurance functions for which they have responsibility.

(Added Pub. L. 106-117, §801(a)(1), Nov. 30, 1999, 113 Stat. 1585.)

§ 7734. Annual report to Congress

The Secretary shall include in the annual report to the Congress required by section 529 of this title a report on the quality assurance activities carried out under this subchapter. Each such report shall include—

- (1) an appraisal of the quality of services provided by the Veterans Benefits Administration, including—

- (A) the number of decisions reviewed;
- (B) a summary of the findings on the decisions reviewed;
- (C) the number of full-time equivalent employees assigned to quality assurance in each division or entity;
- (D) specific documentation of compliance with the standards for independence and internal control required by section 7731(b) of this title; and
- (E) actions taken to improve the quality of services provided and the results obtained;

(2) information with respect to the accuracy of decisions, including trends in that information; and

(3) such other information as the Secretary considers appropriate.

(Added Pub. L. 106-117, §801(a)(1), Nov. 30, 1999, 113 Stat. 1585.)

CHAPTER 78—VETERANS' CANTEEN SERVICE

Sec.

- 7801. Purpose of Veterans' Canteen Service.
- 7802. Duties of Secretary with respect to Service.
- 7803. Operation of Service.
- 7804. Financing of Service.
- 7805. Revolving fund.
- 7806. Budget of Service.
- 7807. Audit of accounts.
- 7808. Service to be independent unit.
- 7809. Child-care centers.
- 7810. Exemption from personnel ceilings.

AMENDMENTS

1991—Pub. L. 102-83, §4(b)(1), (2)(E), Aug. 6, 1991, 105 Stat. 404, 405, substituted "Secretary" for "Administrator" in item 7802.

Pub. L. 102-40, title IV, §402(a), (c)(1), May 7, 1991, 105 Stat. 238, 239, redesignated chapter 75 of this title as this chapter and renumbered items 4201 to 4210 as 7801 to 7810, respectively.

1988—Pub. L. 100-322, title IV, §§412(b), 414(b)(2), May 20, 1988, 102 Stat. 548, 549, added items 4209 and 4210.

§ 7801. Purpose of Veterans' Canteen Service

The Veterans' Canteen Service (hereinafter in this chapter referred to as the "Service") in the Department is an instrumentality of the United States, created for the primary purpose of making available to veterans of the Armed Forces who are hospitalized or domiciled in hospitals and homes of the Department, at reasonable prices, articles of merchandise and services essential to their comfort and well-being.

(Pub. L. 85-857, Sept. 2, 1958, 72 Stat. 1248, §4201; renumbered §7801 and amended Pub. L. 102-40, title IV, §402(a), (b)(1), May 7, 1991, 105 Stat. 238; Pub. L. 102-83, §4(a)(3), (4), Aug. 6, 1991, 105 Stat. 404; Pub. L. 107-14, §8(a)(16), June 5, 2001, 115 Stat. 35.)

AMENDMENTS

2001—Pub. L. 107-14 substituted "hereinafter" for "hereafter".

1991—Pub. L. 102-40 renumbered section 4201 of this title as this section.

Pub. L. 102-83 substituted "Department" for "Veterans' Administration" in two places.

§ 7802. Duties of Secretary with respect to Service

(a) LOCATIONS FOR CANTEENS.—The Secretary shall establish, maintain, and operate canteens where deemed necessary and practicable at hospitals and homes of the Department and at other Department establishments where similar essential facilities are not reasonably available from outside commercial sources.

(b) WAREHOUSES AND STORAGE DEPOTS.—The Secretary shall establish, maintain, and operate such warehouses and storage depots as may be necessary in operating the canteens.

(c) SPACE, BUILDINGS, AND STRUCTURES.—The Secretary shall furnish the Service for its use in

connection with the establishment, maintenance, and operation thereof, such space, buildings, and structures under control of the Department as the Secretary may consider necessary, including normal maintenance and repair service thereon. Reasonable charges, to be determined by the Secretary, shall be paid annually by the Service for the space, buildings, and structures so furnished, except that the Secretary may reduce or waive such charges whenever payment of such charges would impair the working capital required by the Service.

(d) EQUIPMENT, SERVICES, AND UTILITIES.—The Secretary shall transfer to the Service without charge, rental, or reimbursement such necessary equipment as may not be needed for other purposes, and furnish the Service such services and utilities, including light, water, and heat, as may be available and necessary for its use. Reasonable charges, to be determined by the Secretary, shall be paid annually by the Service for the utilities so furnished.

(e) PERSONNEL.—The Secretary shall employ such persons as are necessary for the establishment, maintenance, and operation of the Service, and pay the salaries, wages, and expenses of all such employees from the funds of the Service. Personnel necessary for the transaction of the business of the Service at canteens, warehouses, and storage depots shall be appointed, compensated from funds of the Service, and removed by the Secretary without regard to the provisions of title 5 governing appointments in the competitive service and chapter 51 and subchapter III of chapter 53 of title 5. Those employees are subject to the provisions of title 5 relating to a preference eligible described in section 2108(3) of title 5, subchapter I of chapter 81 of title 5, and subchapter III of chapter 83 of title 5. An employee appointed under this section may be considered for appointment to a Department position in the competitive service in the same manner that a Department employee in the competitive service is considered for transfer to such position. An employee of the Service who is appointed to a Department position in the competitive service under the authority of the preceding sentence may count toward the time-in-service requirement for a career appointment in such position any previous period of employment in the Service.

(f) CONTRACTS AND AGREEMENTS.—The Secretary shall make all necessary contracts or agreements to purchase or sell merchandise, fixtures, equipment, supplies, and services, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5) and to do all things necessary to carry out such contracts or agreements, including the making of necessary adjustments and compromising of claims in connection therewith.

(g) PRICES.—The Secretary shall fix the prices of merchandise and services in canteens so as to carry out the purposes of this chapter.

(h) GIFTS AND DONATIONS.—The Secretary may accept gifts and donations of merchandise, fixtures, equipment, and supplies for the use and benefit of the Service.

(i) RULES AND REGULATIONS.—The Secretary shall make such rules and regulations, not inconsistent with the provisions of this chapter, as the Secretary considers necessary or appropriate to effectuate its purposes.